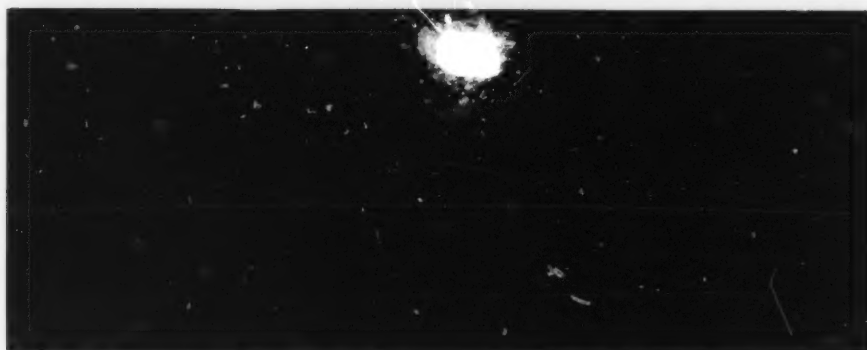


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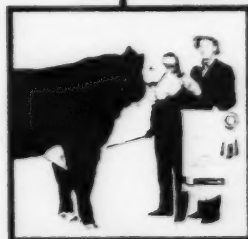
Final Report

V-89-06-0290

Focus on Farming Today

Funded by
The Agriculture Development Fund
April 30, 1991

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FOCUS ON MARKETING

FINAL REPORT

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Final Report
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I. Abstract

The Focus on Marketing initiative was to develop an integrated program of risk management dealing specifically with the risks associated with marketing agricultural commodities.

The overall objective was to "Promote the development of Market Oriented Farm Business Management Plans".

The Initiative was to promote awareness as well as skills development within the agricultural community as to the importance of marketing in farm business management.

II. Technical Report

A. Nature and Scope of Problem

Risk is associated with all management decisions made by farmers. How a manager deals with risk can have a major impact on the profitability and long term survival of the farm business. When dealing with risk a farmer must formulate a risk management plan which incorporates various risk management tools and strategies to achieve pre-determined objectives.

While risk management applications encompass many management functions such as production, financial, environmental and human resource management, the major emphasis of the Focus on Marketing Initiative was to develop an integrated program of risk management which deals specifically with the risks associated with marketing agricultural commodities.

It is widely recognized that farm managers lack the necessary skills to effectively market their products in an increasingly competitive global marketplace. As the world economy evolves toward more liberalized trading arrangements, the ability to effectively produce for the marketplace will have a significant impact on the competitiveness of Canadian Agriculture.

Acquiring a working knowledge of marketing and risk management techniques avoids costly mistakes in resource allocation which are often difficult to change once put into place.

The achievement of this overall objective requires more than just developing a course to teach the concepts and skills needed to develop a market oriented farm business management plan.

B. Objectives

The format and content of the Grain Marketing program was adopted and expanded from a rural training program created at Assiniboine Community College in Brandon Manitoba. The course materials had been developed and field tested by the risk management coordinator from 1986 - 1989. The Cattle Marketing program was developed in 1990 by the course coordinator with input from a steering committee.

The objectives of the formal instructional training are as follows:

1. For the Saskatchewan farm manager:
 - Develop a framework for commodity price analysis
 - The ability to interpret commodity price analysis information when making production & marketing decisions
 - Developing a working knowledge of alternative market channels
 - Developing a working knowledge of the commodity futures and options market
 - Developing appropriate risk management strategies utilizing a combination of marketing tools available to the producer.
 - Understanding how to integrate marketing decisions within a production and farm financial plan of operations
 - Designing and implementing a specific market plan of operations
 - Monitoring progress of the developed marketing plan and making the appropriate adjustments
2. For the Instructor/Facilitator :
 - Design a training system to ensure a core of risk management teaching expertise in all areas of Saskatchewan
 - Provided an accredited program of instructional courseware to ensure a standardized level of skills development
 - Provide an accredited program of studies for instructors/facilitators to ensure the extension of practical and financially sound risk management & marketing skills
 - Provide for ongoing professional skills upgrading
3. For the Private Sector:
 - To assist in the development of management support structures which will facilitate the implementation of "market oriented" farm business management plans.
 - To assist in the development and application of management information systems to support farmers decision making process.

C. Project Design

The project design incorporated four key result areas for both the grains and beef sectors:

1. Development of Instructional Courseware
2. Development & Use of Information Systems
3. Development of Instructional Expertise
4. Development of an Ongoing Support Structure

1) Instructional Courseware

The grain courseware was adopted from materials developed at Assiniboine Community College in Brandon Manitoba. Subsequently these resource materials have been upgraded to address the key result areas identified above and include the following:

Year 1 Grain Marketing instructors manual, visual aids and Computer Assisted Learning Module developed in conjunction with the Solomon Sinclair Farm Management Institute at the University of Manitoba.

Draft Version of the Year 2 Grain Marketing instructors manual, and supporting visual aids.

The use of a comprehensive electronic commodity data base and agricultural marketing video series with facilitators guides and corresponding student workbooks for both grains and beef sectors.

The Livestock coordinator developed a Cattle Marketing instructors manual with supporting visual aids and a students manual.

2) Information Systems

Computer Assisted Learning

Beginning in June 1989, a development effort was undertaken in cooperation with the Solomon Sinclair Farm Management Institute to design "Computer Assisted Learning" materials for Focus on Marketing.

The goal was to design instructional programming which provides an "interactive learning experience between the student and the computer in which the computer provides the majority of the stimulus, the learner responds, and the computer analyzes the response and provides feedback to the learner.

Through a series of ongoing tests and diagnostics, the program, instructor and student are able to determine when mastery of a skill has been achieved and the student is ready to proceed to the next subskill. Well designed CAL does not force the learner to cover material that they already understand and can apply, nor does it force the learner to struggle through material that is too advanced. Consequently Computer Assisted Learning courseware can provide for individualized training needs.

One of CAL's principle advantages is its ability to deliver a known level of specific knowledge and skills, as well as the ability to deliver training when and where it is needed. This feature allows for dramatically lower training costs in a distance education environment. CAL allows for economical updates of course content as well as effective and motivating skills training.

The appropriate areas for the use of CAL are the teaching of complex or time related problems. CAL is particularly useful when consistency of instruction is required. If students need to process a large amount of data in order to have enough information for decision making, CAL can provide an effective medium for delivery of that instruction.

The challenge of computer assisted learning is to utilize the visual, interactive and computational capabilities of the computer to maximize the learning opportunity.

Until recently, the primary goal of computer training has been to make the student computer literate - to teach about the computer. In industry and training situations, the focus is more heavily oriented toward teaching with computers.

With regard to the above discussion a CAL module was designed to be incorporated in the Focus on Marketing training material. The goal of the program is to provide the user with a basic understanding of the mechanics of commodity futures and the concepts of hedging as well as to provide the skills necessary to calculate the results of futures and hedging transactions.

The use of CAL in this respect offers the following advantages:

- 1) The ability to simulate numerical trading and hedging scenarios.
- 2) The generation of immediate feedback to reinforce learning and enhance retention of the concepts
- 3) To provide different levels of explanation to meet the varied needs of students.

- 4) To enhance learning through the presentation of graphic materials.
- 5) The ability to direct the student through progressively more complex strategies that match his or her level of understanding.
- 6) The ease of access to a glossary to grasp subject terminology.

Program Delivery:

The program is directed toward students at the first level of instruction within the subject area, with the expectation that students will have little or no knowledge or experience with commodity futures and hedging.

The program has also been used for instructor development purposes and work is under way to use CAL as supporting material for the Agricultural Marketing Video series. This application would be beneficial to support the educational programming of producer marketing clubs in the province of Saskatchewan on both a group as well as individual basis.

University labs and agribusiness workshops are other important applications for CAL.

Grassroots Grains Game

Grassroots Information Services Ltd., Winnipeg Manitoba introduced a grain trading exercise conducted on a real time agricultural database in which grain marketing professionals undertake to market grain inventories held by four representative prairie farmers.

At the playing level, the objective of the Grassroots Grains Game is to articulate a marketing strategy consistent with the cash flow requirements and risk management capacity of the individual farmer in order to maximize net revenue.

In its initial design the game established a competition between grain marketing professionals from Saskatchewan, Manitoba and Alberta. Due to administrative changes at Grassroots the game was terminated in the summer of 1990.

As such, the format of the game and the range of models which can be incorporated to provide an ongoing demonstration of the strategies and tactics involved in developing and exercising marketing plans is under review. The application has much potential for competitive simulations and interaction between producer marketing clubs for both grains and livestock as well as the involvement of the financial community through sponsorship.

Video Teaching Support

The project attempted to put in place enhanced teaching resource materials through the development of videos on agricultural marketing. A series of American videos had been used in past marketing programs and the program reviewed the opportunity to develop a Canadianized version of the Agricultural Marketing Video Series developed by Farm Credit Services of St. Paul Minnesota. Discussions with the Winnipeg Commodity Exchange were undertaken with the objective of coordinating efforts and sharing costs of development with the Winnipeg Commodity Exchange.

Difficulties were encountered in securing funding at the Winnipeg Commodity Exchange and a suitable development strategy could not be developed amongst the interested parties.

The existing series from the United States was used as instructor support in delivering the modular lesson plans of the program. A number of working exercises in the US videos were not applicable to Canada however individual instructors were left to use only the applicable portions.

Information Bulletins

The use of bulletins, market newsletters, and commodity price charts are important resources in developing a commodity market plan.

A limited number of information bulletins have been prepared on this subject matter to date, with the primary effort being "Top Canola Marketing Strategies" prepared in the winter of 1990.

CattleSim

A central component to the Cattle Marketing course was the computer simulation game, CattleSim, developed by Alberta Agriculture. The game simulates 2 1/2 years of production and allows the students to try out the various methods of risk management that are discussed in the course. The game effectively demonstrates the advantages and disadvantages of different risk management techniques while injecting some fun into the course.

The Initiative was able to fund the publication and distribution of commodity price charts emphasizing Canadian commodities traded on the Winnipeg Commodity Exchange as well as the livestock contracts traded on the Chicago Mercantile Exchange for use in the Year 1 & Year 2 instructional programming. The demand for such resource material is growing as the number of farm managers trained in their use increases.

3) **Instructional Expertise**

The Initiative established as a priority the recruitment and training of qualified instructors to deliver the Focus on Marketing program.

The development of a training system for instructors which will ensure a professional approach and core of risk management training expertise throughout the province of Saskatchewan was undertaken making use of the existing course materials, agriculture marketing video series, as well as the computer assisted learning module.

Instructors for both the grain and livestock programs attended a six day orientation workshop in October of 1989 and 1990 as well as a two day Seminar conducted by the Canadian Securities Institute in August of 1990 in order to enrol and prepare for writing the Canadian Futures Exam administered by the Canadian Securities Institute.

Through this process and by making use of the team teaching concept, the initiative employed the services of six instructional teams under contract for the grain marketing program and three instructional teams for the cattle marketing program.

The instructors were selected from active farm managers within the province who have demonstrated participation in and qualified instruction of farm management training programs, in particular, the Farming To Win program.

Instructors were also chosen on the basis of exposure to and experience in commodity trading.

A yearly review of course materials, program delivery, administrative issues as well as further course development was conducted in April of 1990 and 1991 with the participation of all active instructors.

The beef cattle marketing program also employed a number of guest speakers representing custom feeders, agriculture economists, cow calf operators, cattle investors, and order buyer/dealers who provided valuable and practical experience in cattle marketing issues to course participants.

Three instructors as well as the program coordinators were employed under contract during the summer months to develop the completed version of the Year 1 instructors manual for both programs included in this report.

Instructors were also provided with a one day workshop to prepare for the April sitting of the Canadian Futures Exam.

A total of 10 instructors out of 14 registrants successfully completed the requirements of this exam on the first attempt representing a 70% success ratio. Unsuccessful candidates will be required to complete the designation prior to the 1991/92 training year.

The Canadian Securities Institute along with the Futures Industry Association provides additional industry standard training in more advanced subject matter such as Financial & Portfolio management as well as Commodity Options. Following successful completion of the initial training, instructors will be encouraged to enrol in more advanced skills upgrading in these and other related areas.

Through these efforts it is hoped that the skills acquired will be transferrable to a management consultant role which will facilitate the implementation of Focus on Marketing Management skills in actual farm management situations.

4) **Support Structures**

Marketing Clubs

For a variety of reasons, just having a technical understanding of alternate marketing strategies is insufficient. Farmers must also have an opportunity to apply these strategies in a low risk situation. Participants learn better, retain more of what they have learned and gain confidence when their education is based upon direct experience as well as the opportunity to share with others prior to venturing out on their own.

The Initiative encouraged class participants to establish a network of producer marketing clubs throughout the province to encourage application and continuous reenforcement of marketing skills.

To date, the program was succeeded in establishing 8 such groups totalling approximately 80 farm managers. The clubs are self-supporting, with membership fees and trading capital being voted on within a formalized set of club bylaws.

The Initiative has provided initial support in organizing and guiding the ongoing educational programming of the club. It must be emphasized however that the primary purpose of the marketing club is to provide a forum in which individual members take charge of the learning experience as well as actively applying the tools and skills which they have acquired within a group setting.

The initial push in this area has been to have groups formally organize and adopt a set of operating bylaws and open a group commodity trading account with a licensed Futures Commission Merchant.

Further program planning in this area envisions access to outside professional market analysts, participation on the part of the financial & brokerage community as well as the use of various simulation exercises to provide members with continuous exposure to the use of information systems and the capacity to network in a real time commodity marketing environment.

Broker's Pilot Project

A total of 12 brokers from the retail offices of Richardson Greenshields Saskatchewan (MooseJaw, Regina, Estevan, Saskatoon and Swift Current) attended a two day weekend seminar to demonstrate the courseware being taught to farmers as well as to solicit their support in the implementation of market oriented farm business management plans.

Brokers were invited to attend the class sessions being conducted in rural Saskatchewan for 1/2 day per group to discuss the mechanics of opening and financing a commodity brokerage account.

The brokers were encouraged to present to participants the characteristics of clients who are successful in their use of the forward markets as well as to answer questions with regard to financial requirements, service, transaction statements, fees and commissions, handling of margin deposits, security of funds, regulatory requirements as well as what professional characteristics should be considered when choosing a brokerage firm and commodity broker.

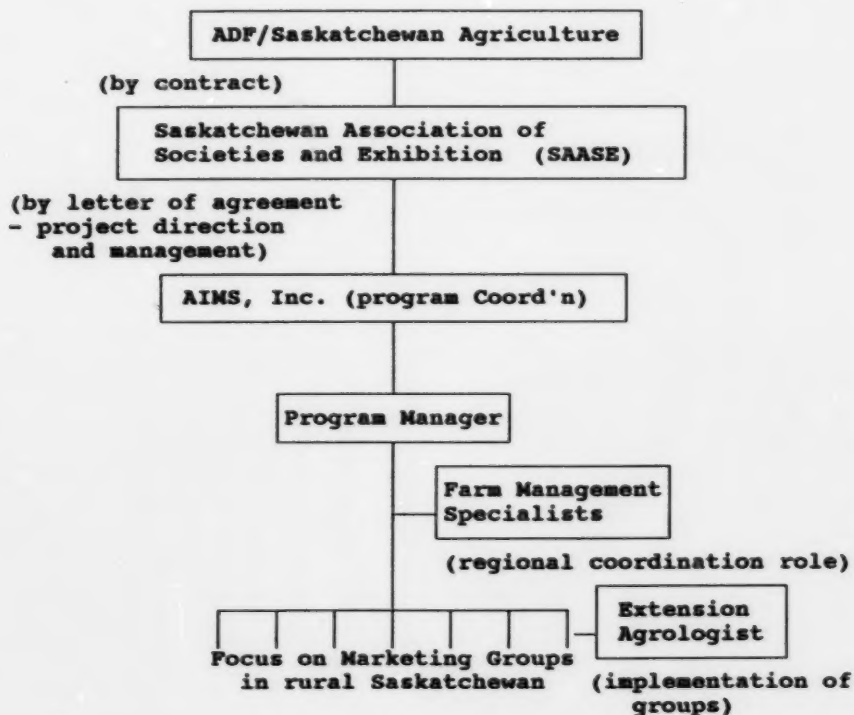
5) **Marketing**

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6) **Administration**

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7) **Organizational Chart**



8) **Course Content**

The instructional training program for the Grain Marketing program was divided into a two part format, Year 1 and Year 2, in order to deliver two separate but interrelated skills.

The emphasis on Year 1 was to train participants in the basic skills of commodity price forecasting as well as an introduction to the commodity futures markets and the concepts of basis and hedging.

In summary, the following lessons are covered in Year One:

YEAR 1
FOCUS ON GRAIN MARKETING
COURSE AGENDA

Day One is divided into 6 sections:

1. Pretest Section CAL Program
(Computer Assisted Learning - Intro to Hedging)
2. Management Principles Review
3. History of Marketing
4. Lunch Break
5. Tape "Agriculture in a Global Economy"
6. Study of Supply/Demand

Day Two: Stocks/Use and World Grain Trade

Day Two deals entirely on examining the past, present and future outlook in the Wheat, Coarse Grains, Oilseeds, and Specialty Crops.

Participants are instructed in the calculation and application of Stocks/Use ratios in fundamental market analysis.

Day Three: Technical Analysis

Day Three is devoted to a study of Technical Analysis, or the study of market action, through the use of commodity price charts.

Participants are instructed in the construction and interpretation of commodity bar charts, chart patterns, volume and open interest.

Day Four: Technical Indicators

Day Four is a continuation of the study of technical analysis.

Participants are instructed in the construction and use of moving averages, momentum, spreads, and the role of the speculator within the commodity market place.

A Glossary of Market terms is presented to assist participants in understanding the terminology of commodity marketing, as well as the role and functions of the Winnipeg Commodity Exchange.

Day Five: Futures Markets

Day Five describes the purpose and use of the commodity futures market, the futures contract, and the basics of commodity hedging.

Participants learn to distinguish between perfect and imperfect hedges and the basic forms of cash contracting available to agricultural producers. Instruction is also provided in how to calculate the results of a commodity hedge transaction.

Day Six: Basis

An understanding and application of the concept of "Basis" is a critical component in the development of a production - marketing strategy.

Day Six is devoted to an understanding of Basis and how it is used in commodity marketing. Participants are exposed to the use of a Basis Worksheet as well as the basic costs of production in designing an appropriate pricing strategy for commodities.

The Year 2 program emphasizes the development of a market oriented farm business management plan, which includes instruction in the range of marketing tools available to the farm manager and a method for logically and systematically incorporating these tools within a written financial plan of operations.

**YEAR 2
FOCUS ON GRAIN MARKETING
COURSE AGENDA**

Day One is divide into 3 sections:

1. Review of Year 1 - Fundamental Analysis
 - Technical Analysis
 - Hedging
2. Managing by Objectives
3. Managing Price Risk / Planning the Farm Business - Analysis of the GRIP and NISA grain income insurance programs.

Day Two: Marketing Alternatives

Day two is concerned with instruction on the various cash contracting alternatives available to commodity producers. This includes; spot, deferred delivery, deferred pricing, basis, minimum price contracts, production contracts, and Canadian Wheat Board guaranteed delivery contracts.

Day Three: Using Futures Contracts

Day three examines the use of commodity futures contracts in designing a pricing & risk management strategy. Participants learn how to use Basis in calculating an expected hedge price, to time sales, as well as to compare prices on dealer contracts.

Day Four: Using Ag Options - Risk Shifting Options Strategies

- hedging & options contracts
- converting fixed price to flexible price positions
- how to use synthetic puts and calls, windows and fences in managing price risk

The use of options contracts to establish minimum and maximum price guarantees as well as to manage various marketing strategies are explored.

Day Five: A Marketing Strategy for Grain - RoyFarm Financial Assistant

Participants are instructed in the use of the Royfarm Financial Assistant in designing a written production marketing strategy.

A Case Farm Marketing Plan is developed in a group workshop exercise.

Day Six: Case Farm Marketing Exercise - Course Conclusion
Under the direction of the steering committee, the Year 1 Saskatchewan Beef Cattle Marketing course was developed with the broad goal of introducing cattlemen to methods of market risk management and intelligent marketing decisions and practices they can implement at the farm gate, regardless of the herd size.

**SASKATCHEWAN BEEF CATTLE MARKETING COURSE
AGENDA**

Day One: Introduction

- Marketing vs Selling
- Industry Overview
- CattleSim Turn 1

Day Two: Marketer's Logic

- A Decision Flow Chart
- Sell or Feed?
- Breakeven Analysis
- Price Discovery
- Preparing Accurate Cattle Descriptions
- Market Information Sources
- CattleSim Turn Two

Day Three: Price Discovery & Forecasting

- Fundamental Market Analysis
- Futures Market as a Price Discovery Mechanisism
- Tripartite Stabilization & Marketing
- Combining Futures and Stabilization Programs
- Hedging
- Canadian Cattle Basis
- CattleSim Turn Three

Day Four: Price Protection

- Using Ag Options
- Forward Contracts
- Tripartite Stabilization
- CattleSim Turn Four

Day Five: Marketing Channels

- Delivery Arrangements
- Closeouts
- CattleSim Turn Five

Day Six: CattleSim Turn Six

- Chair Discussion Period
- Guest Speaker

Day Seven: CattleSim Turn Seven

- 1/2 Day

Day Eight: CattleSim Turn Eight

- Chair Discussion Period
- Guest Speaker

Day Nine: CattleSim Turn Nine

- 1/2 Day

Day Ten: CattleSim Turn Ten

- Chair Discussion Period
- Course Evaluation
- Course Conclusion

9) **Supplementary Programs**

Producer Marketing Clubs

Course participants are encouraged to establish individual producer marketing clubs in order to share experiences and apply the conceptual material in a low risk group setting.

Marketing clubs provide a forum for ongoing educational programming as well as access to market information and commodity marketing strategies throughout the crop year.

The provision for individual consulting services will be assessed following further working experience with producer marketing clubs.

Producer Grain Marketing Tour - Winnipeg Manitoba

A producer marketing tour, was conducted to Winnipeg Manitoba, during the months of January - March 1990/91.

The objective of the tour was to expose participants to the role and functions of the major institutional organizations involved in the Canadian Grain Trade.

The tour departed by bus from various locations in Saskatchewan departing on Monday and returning Friday, with three days being spent in Winnipeg. The program had budgeted for a total of six groups, with a maximum of 40 participants per group.

The tour agenda was as follows:

Canadian Wheat Board (full day)

- Sales & Market Development
- Review of Transportation - Western Operations
 - Seaboard Operations
- Market Analysis - Export Subsidies
 - Customer Needs
 - Day to day
- Treasury - How the Pooling Price System operates
- Country Services - Permit Book Administration
 - Cash Advance Program
- Weather & Crop Surveillance
- General Overview of Board Operations

United Grain Growers (Growers Marketing Services) 1/2 day

- The operations of a commercial grain company
- Marketing options, contracts, Growers Marketing Services
- Forward Pricing & Hedging

Winnipeg Commodity Exchange (1/2 day)

- Opening Presentation
 - History of the Winnipeg Commodity Exchange
- Operation of the Trading Floor
- Futures Markets & Hedging
- Introduction to Commodity Options Contracts
- Producer Marketing

Canadian Grain Commission (1/2 day)

- Presentation - The Rights & Responsibilities of the C.G.C.
- Presentation & Discussion - Commission Executive
 - Economics & Statistics

Division

- Tour of the Grain Research Lab
- Tour of the Inspection

Division

Grain Transportation Agency (1/2 day)

- Presentation of the Operations of the GTA
- Rationalization of the Grain Handling System
- Presentation & Discussion - Grain Transportation Issues

D. Results

The results of the initial two year effort development effort has clearly indicated that marketing & risk management is a valuable and increasingly important management skill in demand by Saskatchewan farm managers.

Participation in the program approximately doubled over the two year period as summarized in the following table:

	1989/90		1990/91		PROJECT TOTAL
	Groups	Participants	Groups	Participants	
YEAR 1	13	120	21	168	288
YEAR 2	3	30	9	70	100
CATTLE	0	0	7	61	61
TOTAL	16	150	37	299	449

In the initial year of the program there were an additional twelve courses administered by the Saskatchewan Institute of Applied Science and Technology totalling 150 students.

The major activity of the Marketing & Risk Management program was to deliver the core curriculum materials and as such a close working relationship was required both with SIAST as well as with Saskatchewan Rural Development extension agrologists.

An effort was made to coordinate the rural program delivery with SIAST as well as standardizing the core curriculum and instructor training. The Grain Marketing coordinator from SIAST attended the instructional review, instructor training as well as completing the requirements of the CSI Canadian Futures Exam.

The feed back received from student evaluations as well as reports from the extension agrologists expressed a high level of satisfaction with both the instructors and program materials with numerous requests for further training in Marketing & Risk Management.

The establishment of eight producer marketing clubs comprising 80 graduates of the initial training effort further illustrates the success of this project.

The project in its initial development achieved its goals of promoting the use of market oriented farm business management and the development of market oriented farm business management plans.

In achieving these goals the following innovations were applied to the successful foundations in business management skills developed by the Farming To Win program:

- i) Incorporating marketing management concepts into farm financial planning
- ii) Demonstrating the practical application of Information Based Technology
- iii) Development and facilitation of an ongoing group support structure
- iv) Coordinating efforts with the private sector to improve services and enhance communication and understanding.
- v) Providing a joint public/private educational and training system for program instructors to ensure professionalism and a core of risk management teaching expertise in all areas of Saskatchewan.
- vi) Enhancing the value of preparing, using, and analyzing farm records
- vii) Building upon the participative management and administrative model developed in the Farming To Win program.

E. Conclusions and Recommendations

The ability to maintain financially viable farm units in an environment of highly competitive markets and increasingly volatile commodity prices will require an ongoing and sustained effort in this management skills area within the province of Saskatchewan.

It is most important that participants have a sound appreciation for the risk/reward relationship that exists in financing, producing and marketing agricultural commodities. Many of the failures encountered in making use of open market systems can be traced to a poor understanding of this relationship in addition to the lack of effort spent in developing a clear, concise and logical market oriented business plan of operations.

The course evaluations indicated that participants are able to grasp the conceptual material but most participants lack the confidence and experience to apply this management skill at the individual farm level.

The following comments extracted from student evaluations emphasize this point.

"I would need to know a lot more before I would risk putting myself on the commodity exchange and be exposed to margin calls, but the put and call options look good because I know my maximum risk"

- Kamsack

"I could apply these skills but don't feel totally confident"

- Kelliher

"The what & why aspects of marketing were well covered, however with more time available it may have been helpful to have spent more time on the "how" part., e.g. Working through various scenarios where all the steps are worked through when using a "put" or "hedge", where the pitfalls are, what to watch for etc."

- Kamsack

"This is a lot of material to cover in 6 days. The course follows well after Year 1. More information is needed on options. The futures and commodity markets are much clearer to understand this year than last year. The course will help me in my farming operation."

- Estevan

"Excellent course with excellent instructors. There are many things to think about after taking this course. Explanation of GRIP & NISA was very good. I would be very interested in participating in a marketing club as a means of learning more about marketing what we produce."

- Wawota

"The course was informative and interesting. It is difficult for myself to go out and put this information to use and feel confident that I am making the right decision. I understand that this is the way we have to understand the market in order now to increase our profit to be viable. I appreciate the instructors who spent time in explaining the material to us - maybe should have them as consultants?"

- Regina

"Would have liked to do more examples. More time spent on examples. I have had trouble following the terminology but I am glad that you use it. In time as we go along and become more familiar with the terms, its good, tells me I had better understand marketing contracts that I sign."

- Southey

"Need more information on precise ways to account for yardage costs. I'd like to see the class regroup in a year to re-evaluate and share their newly acquired marketing skills - how about a beef marketing club next year?"

- Swift Current

"The shrink information was shocking, I'll put money in my pocket because of what I learned. Course deserves a chance to prove itself."

- Whitewood

Based on the evaluation and experience in the Focus on Marketing program the following recommendations are proposed:

1. There is a common request for professional assistance in developing and executing a marketing plan. In order for this demand to be adequately serviced, both financial and human resource constraints will have to be addressed. This will require an ongoing investment on the part of the program to maintain and upgrade the necessary professional management skills through continued funding provided for instructor training.

2. The program should consider the provision of management consulting services to participants in developing and executing a marketing plan following successful completion of the Focus on Marketing course.

In order to implement the use of skills investment provided by the training courses, participants will require guidance and support in such areas as price forecasting, contracting, financing, constructing and evaluating the results of a marketing plan.

Effective application will require a well rounded background in the disciplines of agronomy, financial planning, as well as marketing management.

Many of the current Marketing Instructors have participated in, have taught, or in a few instances already have been involved in the on farm consulting phase of the Farming To Win program.

By training instructors in the area of market risk management, ADF is effectively developing a core group of individuals capable of providing this support. The course instructors/facilitators will need to be kept continuously up to date in order to forward current market information and management assistance to farm managers.

A qualification process for consultants building upon the experience gained from instructional training would provide a logical method of obtaining this objective.

3. The use of marketing tools such as commodity futures and options markets requires adequate financial resources in order to carry the marketing plan through to completion. There is a general lack of understanding on the part of the financial community on how to finance, monitor and assess the performance of a market oriented business management plan.

It is highly recommended that the initial thrust in the area of instructional programming be expanded and enhanced to include delivery of the program materials to the agricultural service sector in order that such constraints can be overcome.

As was the case in instructing the importance of farm record keeping, a pull versus push approach to incorporating these management skills will be required in the industry.

4. It would benefit the program if the investment made into the Credit Union's Farm Business Analyst was extended to incorporate an improved cash flow planner as well as suitable schedules to accommodate commodity contract positions for the purpose of monitoring and evaluating hedge loans and the overall market oriented business management plan.
5. Further investment into the Computer Assisted Learning software as well as video instructional support materials for the purpose of instructor training, marketing club educational programming, as well as a working tool to provide students with a hands -on mechanism for simulating various marketing strategies and exercises. This would improve understanding and competency in applying the subject matter as identified in the student evaluations and commentaries included in this report.

These resources should form part of the "student kit" of instructional materials distributed to Focus on Marketing participants as well as the membership of Marketing Clubs.

6. The initial efforts made in participating in the GrassRoots Grains game as well as Alberta Agriculture's FutureSim and GrainSim should be refocused. Simulation exercises are a valuable means of extending hands on experience as well as the demonstration of applied information technology. Such exercises tend to be time consuming however, and should be refocused into the producer marketing clubs and/or distance education delivery mechanisms.
7. Provide a Distance Education Training System to compliment the classroom and producer marketing club workshops.

With reference to 5 and 6 consider the delivery of the Focus on Marketing training materials to farm managers with off farm winter employment as well as the agricultural service sector.

A number of requests have been made for training which does not fit the existing day time class delivery in rural communities. The Marketing Education club concept using distance education techniques could be utilized to meet this need.

8. An investment in developing a Year 2 Instructors manual similar in format to the Year 1 manual as well as a Year 1 and Year 2 Students manual for the grain marketing course.

9. An investment in developing a year 2 beef cattle marketing course to integrate both grain and cattle marketing into a coordinated marketing plan for diversified operations in both sectors.
10. Develop a facilitators guide for both grain and livestock marketing clubs.

F. Course Materials and Publications List

Focus on Marketing Core Curriculum

1. Year 1 Grain Marketing Course Instructor's Manual
2. Year 1 Beef Cattle Marketing Manual
3. Draft Copy Year 2 Grain Marketing Course Instructor's Manual
4. Computer Assisted Learning Software - Introduction to Futures
5. Farm Credit Services Ag Marketing Video Series

G. Attachments